



**COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE**

713 HALL OF ADMINISTRATION / LOS ANGELES, CALIFORNIA 90012  
974-1101

9100220

RICHARD B. DIXON  
CHIEF ADMINISTRATIVE OFFICER

June 27, 1991

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

JUL 3 1991

UNIVERSITY OF CALIFORNIA

Jack Leister, Head Librarian  
Library of the Institute of Governmental Studies  
University of California, Berkeley  
Berkeley, CA 94720

Dear Mr. Leister:

**COSTS OF ILLEGAL IMMIGRATION**

You requested a copy of a study of the costs of county government due to illegal immigration. While my staff did not complete a study per se, they did prepare two reports in April 1991, which updated earlier cost estimates provided to our Board of Supervisors and which focus on the costs in Los Angeles County. I have enclosed these two reports for your information.

If you have questions about this material or need additional information, please contact Mark Tajima of my staff at (213) 974-1348.

Sincerely,

RICHARD B. DIXON  
Chief Administrative Officer

*Virginia A. Collins*  
VIRGINIA A. COLLINS, Division Chief  
State and Federal Programs Division  
Finance and Operations Branch

RBD:VAC  
NF/G

Enclosures

ucb.lao





# COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICE

713 HALL OF ADMINISTRATION LOS ANGELES, CALIFORNIA 90012  
974-1101

RICHARD B. DIXON  
CHIEF ADMINISTRATIVE OFFICER

April 15, 1991

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

DEC 18 1991

UNIVERSITY OF CALIFORNIA

To: Chairman Michael D. Antonovich  
Board of Supervisors, Fifth District

From: Richard B. Dixon  
Chief Administrative Officer

Subject: **UPDATED REVENUES AND COSTS ATTRIBUTABLE TO  
UNDOCUMENTED ALIENS**

This memorandum is to provide you with an updated report on revenues and costs attributable to undocumented aliens.

## Updated Costs and Revenues

Our estimate of costs and revenues attributable to undocumented aliens in 1990-91 are detailed in Attachment I and are summarized as follows:

### 1990-91 Estimated Revenues (All Governmental Levels)

	(Millions)
Federal	\$1,721.4
State	990.9
Other Local Governments	114.8
County	<u>137.6</u>
Total	\$2,964.7

### 1990-91 Estimated County Costs

	(Millions)
County Cost of Services	\$ 413.8
Less County Revenue	<u>137.6</u>
Net Cost of Services	\$ 276.2



# COUNTY OF LOS ANGELES

## CHIEF ADMINISTRATIVE OFFICE



OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

OFFICE OF THE  
COUNTY CLERK

Chairman Michael D. Antonovich  
April 15, 1991  
Page 2

Based on our analysis, total revenues received by all levels of government from undocumented aliens greatly exceed their total cost to the County, but most revenues are received by the Federal and State governments. At the local level, the costs of services provided to undocumented aliens continue to escalate and are not fully offset by local revenues received from them. The estimated net cost to the County grew by \$69.0 million from \$207.2 million in 1989-90 to \$276.2 million in 1990-91.

### **Methodology**

In our effort to update cost and revenue estimates, we have generally maintained the same methodology used in earlier reports. I would again caution that, with certain exceptions, the estimates are not based on actual data, but, instead, on a series of assumptions which rely heavily on published studies relating to undocumented aliens. The methodology is summarized in Attachment II.

If you have any questions, please contact me or your staff may contact Mark Tajima at 974-1348.

RBD:VAC  
MT:os/G

### **Attachments**

c: Each Supervisor  
Executive Officer, Board of Supervisors  
Director of Health Services

undoc90.mao



**ESTIMATE OF 1990-91 COSTS AND REVENUES  
GENERATED BY UNDOCUMENTED ALIENS IN  
LOS ANGELES COUNTY**

	<u>(In Millions)</u>		
	<u>1989-90</u> <u>Estimate</u>	<u>1990-91</u> <u>Estimate (1)</u>	<u>Change</u>
<b><u>Revenues to All Non-County Agencies</u></b>			
Property Tax:			
Schools	\$ 48.4	\$ 56.3(2)	\$ 7.9
Cities	42.8	49.8(2)	7.0
Other	7.5	8.7(2)	1.2
Payroll Tax:			
FICA	928.0	981.7(3)	53.7
Unemployment	160.0	170.9(4)	10.9
Workers' Compensation	448.9	479.4(4)	30.5
State Disability	37.7	40.3(4)	2.6
Income Tax:			
Federal	701.1	739.7(5)	38.6
State	114.1	119.0(6)	4.9
Sales Tax	127.3	131.4(7)	4.1
Motor Vehicle "In Lieu"	25.9	25.4(8)	(-0.5)
Gasoline Tax	16.5	24.5(9)	8.0
	<hr/>	<hr/>	<hr/>
Total Revenues to all Non-County Agencies	\$ 2,658.2	\$ 2,827.1	\$ 168.9
<b><u>County General Purpose Revenues</u></b>			
Property Tax	\$ 106.3	\$ 123.7(2)	\$ 17.4
Sales Tax	1.3	1.3(7)	--
Motor Vehicle "In Lieu"	12.8	12.6(8)	(-0.2)
	<hr/>	<hr/>	<hr/>
Total County General Purpose Revenues	\$ 120.4	\$ 137.6	\$ 17.2
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES GENERATED BY UNDOCUMENTED ALIENS	\$ 2,778.6	\$ 2,964.7	\$ 186.1








	(In Millions)		
	<u>1989-90 Estimate</u>	<u>1990-91 Estimate (1)</u>	<u>Change</u>
<b><u>Net Cost of County Services to Undocumented Aliens</u></b>			
Health Care Services:			
Hospitals	\$ 124.9	\$ 179.4(10)	\$ 54.5
Programs	18.5	23.7(10)	5.2
	<hr/>	<hr/>	<hr/>
	\$ 143.4	\$ 203.1	\$ 59.7
Welfare Services:			
Aid to Families with Dependent Children (AFDC)	\$ 9.7	\$ 13.5(11)	\$ 3.8
Foster Care Services	0.3	0.7(12)	0.4
	<hr/>	<hr/>	<hr/>
	\$ 10.0	\$ <del>10.0</del> <sup>14.2 (Corrected 6/27/91) NF</sup>	\$ 4.1
Justice System	82.7	95.6(13)	12.9
All Other Services	91.5	100.9(14)	9.4
	<hr/>	<hr/>	<hr/>
<b><u>Total Cost of County Services to Undocumented Aliens</u></b>	<b>\$ 327.6</b>	<b>\$ 413.8</b>	<b>\$ 86.2</b>
<b><u>Total Cost of County and City School Districts Services to Undocumented Aliens</u></b>	<b>\$ 636.4</b>	<b>\$ 754.3</b>	<b>\$ 117.9</b>

**Footnotes Regarding Assumptions for Estimates for 1990-91**

- (1) Based on an estimated undocumented alien population size of 770,000 in 1990-91.
- (2) Reflects increased property tax revenues of 16.33 percent.
- (3) Reflects 5.79 percent increase based on the Office of Management and Budget's estimate of the change in FICA revenue per capita.



Digitized by the Internet Archive  
in 2024 with funding from  
State of California and California State Library

<https://archive.org/details/C124899336>

- (4) Reflects 6.80 percent inflation based on the Los Angeles area's Consumer Price Index for all urban consumers as of January 1990.
- (5) Reflects 5.50 percent increase based on the Office of Management and Budget's estimate of the change in revenue per capita.
- (6) Reflects a 4.28 percent increase in revenue per capita based on the estimate in the Governor's budget.
- (7) Reflects a 3.23 percent increase in revenue per capita based on the estimate in the Governor's budget.
- (8) Reflects a 1.81 percent decrease in revenue.
- (9) Reflects 48.24 percent increase in revenue per capita based on estimate in the Governor's budget.
- (10) Based on Department of Health Services' actual experience based on a statistically valid sample survey of its caseload.
- (11) Based on actual data on citizen children of undocumented aliens on AFDC.
- (12) Based on actual data collected by the Department of Children's Services.
- (13) Based on an Immigration and Naturalization Service survey of the immigration status of County jail inmates.
- (14) Reflects County workload and cost-of-living increases.

MT:os/G  
4/15/91

undoc90.mao





**SUMMARY OF METHODOLOGY AND MAJOR ASSUMPTIONS  
USED TO ESTIMATE REVENUES AND COSTS  
ATTRIBUTABLE TO UNDOCUMENTED ALIENS**

To estimate 1990-91 revenues and costs attributable to undocumented aliens, this office generally maintained the same methodology used in earlier reports, starting with the original report prepared in 1982. Except for certain welfare and health services, data on service utilization by undocumented aliens are unavailable. Data also is not collected on actual revenues paid by undocumented aliens. Given the limited availability of data, with the exception of health and welfare costs, our estimates are calculated based on a series of assumptions regarding the number and characteristics of the County's undocumented alien population.

**Undocumented Alien Population Estimate**

The most critical assumption in this report is the estimate of the County's undocumented alien population. We estimate the average number of undocumented aliens in the County to be 770,000 in 1990-91. This estimate was based on the State Department of Finance's estimate of undocumented alien migrants into the State, adjusted for the estimated number of undocumented aliens who have been granted lawful immigration status under the Federal government's legalization program.

**Undocumented Alien Cost Estimates**

The cost estimates were computed for health services and foster care services provided to undocumented aliens and for Aid to Families with Dependent Children (AFDC) payments to citizen children of undocumented aliens based on data collected by the Departments of Health Services, Children's Services, and Public Social Services.

The cost estimate for justice-related costs was based on an Immigration and Naturalization Service (INS) survey which found that undocumented aliens accounted for roughly 11 percent of jail inmates who were released from the County's custody in May 1990. For purposes of this report, it has been assumed that undocumented aliens account for 11 percent of the County's justice system costs.

Cost estimates for all other County-provided services were calculated by multiplying the percentage of undocumented aliens in the total County population times updated total County costs for services, excluding health and welfare costs.



### **Undocumented Alien Revenue Estimates**

The revenue estimates were calculated using assumptions regarding the number and characteristics of undocumented aliens relevant to particular types of revenues. For example, in estimating Federal and State income tax revenues, assumptions were made regarding the average annual income, family size, and family composition of undocumented aliens. The assumptions were generally based on studies relating to undocumented aliens, most notably from a 1978 study of the economic impact of undocumented aliens on health services in Orange County.

In our annual updates to the original 1982 report, this office has made adjustments to the revenue estimates for changes in inflation, assessed valuation, and other factors which affect the level of revenues paid by all taxpayers, including undocumented aliens.

MT:os/G  
4/15/91

undoc90.mao







# COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICE

713 HALL OF ADMINISTRATION LOS ANGELES CALIFORNIA 90012  
974-1101

RICHARD B. DIXON  
CHIEF ADMINISTRATIVE OFFICER

April 22, 1991

To: Chairman Michael D. Antonovich  
Board of Supervisors

From: Richard B. Dixon *[Signature]*  
Chief Administrative Officer

Subject: **IMPACT OF ILLEGAL IMMIGRATION ON THE FEDERAL BUDGET**

For your possible use in Washington, D.C. this week, I have prepared the attached chart showing the growing costs to the Federal government for undocumented aliens. These costs include Medicaid and Aid to Families with Dependent Children payments to citizen children of ineligible alien parents. The chart shows that those Federal costs increased from an estimated \$57.7 million in 1988-89 to \$140.5 million in 1990-91, and could reach \$533 million by the year 2000.

Also attached is a memorandum which contains the updated information on the impact of illegal immigration in Los Angeles County that you had requested.

If you have any questions, please contact me, or your staff may contact Mark Tajima at 974-1348.

RBD:VAC  
MT\G

## Attachments

c: Each Supervisor  
Executive Officer, Board of Supervisors  
County Counsel  
Director of Health Services  
Director of Public Social Services

undocinf.mao



**ESTIMATED IMPACT OF ILLEGAL IMMIGRATION ON FEDERAL  
PUBLIC ASSISTANCE COSTS IN LOS ANGELES COUNTY**

	<u>1988-89</u>	<u>1990-91</u>	<u>2000</u>
Undocumented Alien Births <sup>1</sup>	25,636	35,912	55,000
<u>(In Millions)</u>			
Federal Aid to Families with Dependent Children (AFDC) Costs <sup>2</sup>	\$ 52.0	\$ 124.6	\$ 500.0
Federal Medicaid Costs <sup>3</sup>	\$ 5.7	\$ 15.9	\$ 33.0
Total Federal Costs	\$ 57.7	\$ 140.5	\$ 533.0

<sup>1</sup> Represents births to undocumented alien mothers in County of Los Angeles and contract hospitals.

<sup>2</sup> Federal AFDC costs for 1988-89 and 1990-91 are limited to AFDC payments to citizen children of ineligible alien parents who entered the country illegally. Those parents include both undocumented aliens and those who were legalized under the Federal amnesty program and are barred from receiving Federal benefits for five years. Federal AFDC costs for the year 2000 also include AFDC payments to newly legalized aliens and many of their undocumented alien spouses and children who will then be eligible to receive AFDC under the provisions of the Immigration Reform and Control Act of 1986 and the Immigration Act of 1990.

<sup>3</sup> Represents Federal Medicaid payments to the County for the cost of births to undocumented alien mothers in County and contract hospitals.

MT:os/G  
04/22/91

immigrat.xao







# COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICE

713 HALL OF ADMINISTRATION LOS ANGELES CALIFORNIA 90012  
974-1101

RICHARD B. DIXON  
CHIEF ADMINISTRATIVE OFFICER

April 22, 1991

To: Chairman Michael D. Antonovich  
Board of Supervisors

From: Richard B. Dixon  
Chief Administrative Officer

Subject: **IMPACT OF ILLEGAL IMMIGRATION**

This memorandum is in response to your request for additional information on the impact of illegal immigration. It updates both my February 7, 1991 and June 25, 1990 memorandums on this subject.

## **Impact of Illegal Immigration on Los Angeles County Continues to Grow**

Current data indicate that the Immigration Reform and Control Act (IRCA) of 1986 has not been effective in controlling illegal immigration. As measured by border apprehensions, illegal immigration initially dropped after IRCA's enactment, but has since steadily climbed to pre-IRCA levels. As previously indicated, the Federal government's inability to control our nation's borders has resulted in an ever growing impact on the County; the estimated net cost to the County of services provided to undocumented aliens has grown from \$207.2 million in 1989-90 to \$276.2 million in 1990-91.

## **Impact on Aid to Families with Dependent Children (AFDC) Program**

One of the biggest impacts of illegal immigration has been on AFDC payments to citizen children of ineligible alien parents who entered the country illegally. Those parents include both undocumented aliens and those who were legalized under the Federal amnesty program and are barred from receiving AFDC benefits for five years.

Attachment I, which has been updated through February 1991, is a graph showing recent trends in the number of citizen children on AFDC. It shows that the number of these children steadily grew in the early 1980s to 65,776 in November 1986, when IRCA was enacted. The numbers then dropped to a low of 40,682 in January 1989, before beginning a steady, and as yet unchecked, climb to 97,665 in February 1991. The count grew by 6,601 children in January and February alone.





We estimate that total AFDC payments to these citizen children have increased from \$103.9 million in 1988-89 to \$249.1 million in 1990-91, with the County share increasing from \$5.6 million to \$13.5 million. A major concern is that total AFDC payments to these children and their families could easily reach \$1 billion a year by the end of the decade, even if illegal immigration levels off, for the following reasons:

- The number of citizen children can be expected to grow due to the high birth rate of the undocumented alien population who are disproportionately of child-bearing age. As shown in Attachment II, the estimated number of births to undocumented aliens in County and contract hospitals rose by over 40 percent from 25,636 in 1988-89 to 35,912 in 1990-91. That increase, in turn, is reflected in higher AFDC costs.
- Over 850,000 undocumented aliens applied for amnesty in the County. By December 1993, all legalized aliens will be eligible for AFDC. Their use of AFDC is likely to be high as many citizen children of legalized aliens are currently on AFDC.
- The Immigration Act of 1990 stays the deportation of undocumented aliens who entered the country before May 5, 1988 and who are spouses or children of legalized aliens. Those undocumented alien spouses and children would be permitted to receive AFDC benefits after five years.

### **Illegal Immigration Increases Costs for All Levels of Government**

While the County is disproportionately affected because a high percentage of both the nation's and State's undocumented alien populations reside here, Federal and State costs are also affected by undocumented aliens. Most notably, the Federal and State governments together bear 94.6 percent of AFDC costs; the Federal share alone of the \$249.1 million in AFDC payments to citizen children in this County will approach \$125 million in 1990-91.

The costs of births to undocumented alien mothers in County hospitals are also a financial burden to the Federal and State governments through Medicaid costs. Since 1988-89 when Federal and State legislation was implemented that enabled undocumented aliens to receive emergency and pregnancy-related services under the Medicaid program, the County's Medicaid revenue for undocumented alien maternity cases has grown from an estimated \$11.34 million to \$31.82 million in 1990-91. As a result, and despite the 40 percent increase in births to undocumented aliens, the County's total unreimbursed cost dropped from an estimated \$31.06 million in 1988-89 to \$30.02 million in 1990-91, but Federal and State Medicaid costs will be \$15.91 million, each, in 1990-91.





Chairman Michael D. Antonovich  
April 22, 1991  
Page 3

Undocumented aliens and their children are clearly a problem for all levels of government, and our County resources, particularly health and welfare, focus more and more on this population.

If you have any questions, please contact me, or your staff may contact Mark Tajima at 974-1348.

RBD:VAC  
MT6

#### Attachments

c: Each Supervisor  
Executive Officer, Board of Supervisors  
County Counsel  
Director of Health Services  
Director of Public Social Services

undoc2.mao

